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**HOUSE BILL 54**

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

**INTRODUCED BY**

**John A. Heaton**

**AN ACT**

**RELATING TO ECONOMIC DEVELOPMENT; PROVIDING CONDITIONS FOR  
STATE EXPENDITURES FOR BUSINESS INCUBATORS; MAKING  
APPROPRIATIONS; DECLARING AN EMERGENCY.**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

**Section 1. BUSINESS INCUBATORS--CONDITIONS FOR STATE  
EXPENDITURES.--Business incubators receiving state funds shall  
be required to pass a state incubator certification program  
administered by the economic development department. The  
department shall certify business incubators that submit  
documentation to the department that the incubator has:**

**A. a mission statement that defines the incubator's  
role to assist entrepreneurs and support the growth of  
businesses;**

**B. for incubators established after the effective**

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1 date of this section, a formal feasibility study indicating an  
2 appropriate market and local community support or, for  
3 incubators established prior to the effective date of this  
4 section, a business plan;

5 C. an effective governing board or an appropriate  
6 oversight advisory board committed to the incubator's mission;

7 D. qualified management and staff to achieve the  
8 mission of the incubator and to help businesses;

9 E. an ongoing business assistance program that  
10 places the greatest value on client assistance and adds value  
11 to client businesses by developing programs and coordinating  
12 activities such as:

13 (1) technical assistance and consulting;

14 (2) coaching and mentoring, business training  
15 workshops and seminars;

16 (3) providing marketing assistance;

17 (4) fostering networking opportunities and  
18 links with other business service providers; and

19 (5) providing assistance in obtaining  
20 financing;

21 F. a facility that encourages innovation and  
22 provides dedicated space for incubator client firms with  
23 flexible leases and that includes a common area meeting space  
24 and business equipment;

25 G. a process for client businesses that involves a

1 screening and selection process and graduation policy for  
2 client companies;

3 H. a system for program evaluation;

4 I. all applicable required licenses and permits and  
5 a functional accounting system; and

6 J. membership in the national business incubation  
7 association.

8 Section 2. APPROPRIATION. --Five hundred thousand dollars  
9 (\$500,000) is appropriated from the general fund to the  
10 economic development department for expenditure in fiscal years  
11 2005 and 2006 for a competitive grants program for up to one  
12 hundred fifty thousand dollars (\$150,000) in start-up operating  
13 funds for new business incubators in the state. The grants  
14 made under this appropriation shall require a fifty percent  
15 match from the recipient. Any unexpended or unencumbered  
16 balance remaining at the end of fiscal year 2006 shall revert  
17 to the general fund.

18 Section 3. APPROPRIATION. --Fifty thousand dollars  
19 (\$50,000) is appropriated from the general fund to the economic  
20 development department for expenditure in fiscal years 2005 and  
21 2006 to develop and administer the business incubator  
22 certification program. Any unexpended or unencumbered balance  
23 remaining at the end of fiscal year 2006 shall revert to the  
24 general fund.

25 Section 4. EMERGENCY. --It is necessary for the public

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1 peace, health and safety that this act take effect immediately.

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